



## The Kerala State Aid to Industries Act, 1963

Act 34 of 1963

### Keyword(s):

Industry, Cottage Industry, Small Scale Industry, Village Industry, Machinery, State Aid

**DISCLAIMER:** This document is being furnished to you for your information by PRS Legislative Research (PRS). The contents of this document have been obtained from sources PRS believes to be reliable. These contents have not been independently verified, and PRS makes no representation or warranty as to the accuracy, completeness or correctness. In some cases the Principal Act and/or Amendment Act may not be available. Principal Acts may or may not include subsequent amendments. For authoritative text, please contact the relevant state department concerned or refer to the latest government publication or the gazette notification. Any person using this material should take their own professional and legal advice before acting on any information contained in this document. PRS or any persons connected with it do not accept any liability arising from the use of this document. PRS or any persons connected with it shall not be in any way responsible for any loss, damage, or distress to any person on account of any action taken or not taken on the basis of this document.

## **ACT 34 OF 1963<sup>[1]</sup>**

### **THE KERALA STATE AID TO INDUSTRIES ACT, 1963**

*An Act to consolidate and amend the laws relating to the giving of State aid to industries in the State of Kerala.*

*Preamble.*-WHEREAS it is expedient to consolidate and amend the laws relating to the giving of State aid to industries in the State of Kerala;

BE it enacted in the Fourteenth Year of the Republic of India as follows:-

#### **CHAPTER I**

##### **Preliminary**

*1. Short title, extent and commencement.*-(1) This Act may be called the Kerala State Aid to Industries Act, 1963.

(2) It extends to the whole of the State of Kerala.

(3) It shall come into force on such date as the Government may, by notification in the Gazette, appoint.

*2. Definitions.*-In this Act, unless the context otherwise requires,-

(1) 'Board' means the State Aid to Industries Board constituted under section 3;

(2) 'company' means a company as defined in section 3 of the Companies Act, 1956 (Central Act I of 1956) and includes a foreign company within the meaning of section 591 of that Act;

(3) 'Director' means the Director of Industries and Commerce and includes any person appointed by the Government either by name or by virtue of his office to perform all or any of the functions of the Director of Industries and Commerce under this Act;

(4) 'industry' means any industrial business or enterprise conducted in the State by any individual, institution, company, association or body of individuals whether incorporated or not and includes a cottage industry, a small scale industry, and a village industry; but shall not include an industry organized on co-operative basis which is eligible for financial assistance from the Central or State Government or a Co-operative Bank under any specific development programme;

(5)‘cottage industry’ means an industrial business or enterprise carried on in any premises to which the Factories Act, 1948 (Central Act 63 of 1948), does not apply, and includes dairy farming, bee-keeping and keeping a poultry farm;

(6)‘small scale industry’ means an industrial business or enterprise the capital invested in which does not exceed five lakhs of rupees;

(7)‘village industry’ means any industry which forms the normal occupation, whether whole-time or part-time, of any class of the rural population of the State;

(8)‘machinery’ includes plant, apparatus, tools and other appliances required for the purpose of carrying on any industrial operation or process;

(9)‘owner’ means the person who owns any industrial undertaking and includes the successor-in-interest of such person in respect of such undertaking;

(10)‘prescribed’ means prescribed by rules made under this Act;

(11)‘State’ means the State of Kerala;

(12)‘State aid’ means any aid given by or on behalf of the Government under the provisions of this Act and the rules, if any, made thereunder.

## CHAPTER II

### **The State aid to Industries Board.**

3.*Constitution of State Aid to Industries Board.*-(1) There shall be constituted a State aid to Industries Board consisting of the following members, namely:-

(a)The Director of Industries and Commerce, *ex officio*;-

(b)An officer of the Finance Department of the Government Secretariat not below the rank of a Joint Secretary to be nominated by the Government;

(c)An officer of the Industries Department of the Government Secretariat not below the rank of a Deputy Secretary to be nominated by the Government;

(d)Three members to be elected by the members of the Kerala Legislative Assembly from among themselves in accordance with the system of proportional representation by means of the single transferable vote;

(e)Three members representing industrial and commercial interests to be nominated by the Government;

(f)Two members representing organized trade union to be nominated by the Government; and

(g)One member representing economists or statisticians to be nominated by the Government.

(2)The Director of Industries and Commerce shall be the Chairman of the Board.

(3)The nomination, election, resignation or removal of the members of the Board shall be notified by the Government in the Gazette.

(4)The Board shall assist the Government in dealing with applications for the grant of State aid under this Act.

(5)All questions at a meeting of the Board shall be decided by the votes of the majority of the members present and voting.

(6)No member shall vote on or take part in the discussion of any question coming up for consideration at a meeting of the Board if the question is one in which he has any direct or indirect pecuniary interest by himself or his partner or in which he is interested professionally on behalf of a client or as agent for any person other than the Government or a local authority.

(7)No proceeding of the Board shall be deemed to be invalid on account of any defect or irregularity in the Constitution of the Board or any vacancy thereof.

*4.Terms of office of members.*-Subject to the provisions of this Act every member of the Board other than the *Ex officio* member shall hold office for a period of three years from the date of the first meeting of the Board but shall be eligible for re-nomination or re-election, as the case may be:

Provided that a member whose term of office has expired shall continue to hold office until his successor assumes office:

Provided further that a member nominated or elected under sub section (1) of section 3 shall cease to be a member of the Board—

(i)in the case of a member nominated under clause (b) or clause (c) of sub-section (1) of section 3, when he ceases to be an officer of the Finance Department or the Industries Department as the case may be;

(ii)in the case of a member elected under clause (d) of sub-section (1) of section 3, when he ceases to be a member of the Legislative Assembly; and

(iii)in the case of a member nominated under cause (e) or clause (f) or clause (g) of sub-section (1) of section 3, in the opinion of the Government, when he ceases to have the representative capacity specified in the said respective clauses,

but the member shall continue to hold office until the vacancy is filled up:

Provided also that a member nominated or elected to fill a casual vacancy shall assume office forthwith, but shall hold office so long only as the member in whose place he is nominated or elected as the case may be, would have been entitled to hold office if the vacancy had not occurred.

*5.Resignation.*-Any member of the Board other than the *ex officio* member may resign by tendering his resignation in writing to the Government and, on such resignation being accepted by the Government, shall be deemed to have vacated office.

*6.Removal of members.*-(1) The Government may remove from office any member of the Board other than the *ex officio* member if he-

(a)becomes subject to any physical or mental disability, which, in the opinion of the Government renders him unfit to be a member of the Board, or

(b)is convicted of any such offence or is subjected by any Criminal Court to any such order as in the opinion of the Government implies a defect of character which renders him unfit to continue as a member of the Board, or

(c)without excuse sufficient in the opinion of the Board, absents himself without the consent of the Board from more than three consecutive meetings of the Board, or

(d)contravanes the provisions of sub-section (6) of section 3:

Provided that before removing any member from his office under this sub-section he shall be given an opportunity to show cause against the action proposed to be taken.

(2)The Government may, by notification in the Gazette, fix a period during which any person so removed shall not be eligible for re-nomination or re-election, as the case may be.

*7.Filling up of vacancies*:- When the office of any member of the Board becomes vacant by the expiration of his term, resignation, removal or death, a new member shall be nominated or elected, as the case may be, to fill the vacancy.

*8.Presidency at meetings.*-(1) The Chairman shall preside at the meetings of the Board and shall have and exercise a second or casting vote in the case of an equality of votes.

(2)In the absence of the Chairman, an officer of the Government in the Board, shall preside and he shall while so presiding, have all the powers of the Chairman.

(3)No business shall be transacted at any meeting of the Board unless one-half of the sanctioned number of members of the Board are present at the meeting.

*9.Dissolution of the Board.*-If the opinion of the Government, the Board persistently makes default in the performance of the duties imposed on it, or exceeds or abuses its powers, the Government may, by notification in the Gazette, dissolve the Board and there upon the Chairman and the other members of the Board shall be deemed to have vacated their offices and all the functions of the Board shall thereafter be exercised by such person or persons as may be appointed in that behalf by the Government until a new Board is constituted by the Government:

Provided that no order of dissolution shall be passed unless the Board is given an opportunity to show cause against the action proposed to be taken.

*10.Industries which may be aided.*-(1) The industries to which aid may be given under this Act shall be such as have an important bearing on the economic development of the country and shall be-

- (i)a new or nascent industry;
- (ii)an industry to be newly established in an area where such industries are undeveloped or are likely to be successful;
- (iii)an industry which is likely to become more profitable by an investment of more capital;
- (iv)small scale industries;
- (v)cottage industries;
- (vi)old or established industries; or
- (vii)such other industrial concerns, as in the opinion of the Government, deserve State aid to be given in conformity with the provisions of this Act:

Provided that no State aid shall be given to any joint stock company unless—

- (i)the company is registered in India with a rupee capital; and
- (ii) the company agrees to maintain the prescribed proportion of Indians as members of its Board of Directors:

Provided further that every recipient of State aid shall make such provision for the training of apprentices as may be prescribed.

(2)The decision of the Government after consulting the Board as to whether the conditions of this section are fulfilled shall be final and shall not be called in question in any court of law.

## CHAPTER III

### **General provisions regarding the giving of State Aid**

**11. Forms of State aid.**-Subject to the provisions of this Act and of the rules made thereunder, the Government shall have power to give State aid to an industry in one or more of the following ways:-

(a)by granting a loan;

(b)by guaranteeing of cash credit, overdraft or a fixed advance with a bank;

(c)by taking fully paid up shares or debentures:

Provided that the amount paid by the Government for such shares and debentures shall not exceed the amount already paid by other persons for shares and debentures in the same industry;

(d)by guaranteeing interest on preference shares or debentures;

(e)by guaranteeing a minimum return on the whole or part of the capital of a joint stock company;

(f)by the granting on favourable terms of land, raw materials, firewood, water or any other property of the Government subject to such terms and conditions as respects the repayment of the value of the aid granted, as may be prescribed;

(g)by paying a subsidy for the conduct of research or the purchase of machinery subject to such terms and conditions as respects the repayment of the value of the said granted, as may be prescribed;

(h)by supplying machinery on hire purchase system.

**12. Conditions for the guarantee and grant under section 11 (e) and (f).**- The condition for any payment under guarantee of a minimum return on the whole or part of the capital of a joint stock company or for the grant by the Government of land, raw materials, firewood, water or any other property on favourable terms shall ordinarily be that an amount equal to the sum paid or to the value of the grant or concession as fixed at the time when it is paid, shall be repaid to the Government at the close of a fixed term of years if within that term the industry shall be shown to be paying interest or a dividend upon the capital invested in excess of such rates as the Government may fix.

*13. Conditions for grant of loan.*-(1) No loan shall exceed the prescribed percentage of the value of the assets of the industry to which it is granted and of other property, if any, offered as collateral security without deducting the encumbrances, if any, existing thereon at the time when the application for the loan is made, the value being ascertained by the sanctioning authority in the prescribed manner.

(2)No loan shall be granted if the encumbrances on the assets of the industry and on other property offered as collateral security exceed 50 per cent of the value of such assets and collateral securities in the case of an existing industry and thirty-three and one third per cent in the case of a new industry.

(3)The authority granting the loan shall, from out of the loan discharge all encumbrances on the assets of the industry and other property, if any, offered as collateral security existing at the time when the application for the loan is made, and shall secure a first charge on the assets and other property aforesaid.

(4)Every loan shall be repayable in instalments within a period not exceeding twenty years after the date of advance of the loan, or where the loan is advanced in instalments, after the date of the advance of the last instalment.

(5)In special cases the Government, for reasons to be recorded in writing, may on the application of the owner of an industry to which such loan has been granted, vary the terms fixed by the order granting the loan.

(6)All the insurable assets of the applicant offered as security shall be insured against loss or damage with the State Insurance Department and the policy assigned in favour of the Director of Industries and Commerce.

*14. Loans how secured.*-Every loan granted under this Act shall be secured by a mortgage upon the whole or such portion of the assets of the business or enterprise as the sanctioning authority may consider sufficient and where the whole of the assets of the business or enterprise is in the opinion of the sanctioning authority insufficient, by such collateral security as may be required by the sanctioning authority and shall bear interest payable on such dates and at such rates as the Government may determine.

*15. Application for State aid and authorities by whom aid may be granted.*-(1) All applications for State aid shall be made in the prescribed form to the District Industries Officer of the concerned district. The District Industries Officer shall make such enquiries as may be prescribed and such other enquiries as he deems fit on every such application. In the case of an application in which the sanctioning authority under sub-section (4) is the Regional Joint Director of Industries and Commerce, the Director or the Government, the District Industries Officer shall forward the application to the sanctioning authority together with the report of the enquiry conducted by him. Where the sanctioning authority is the Director, the application shall be forwarded to him through the Regional Joint Director of Industries and Commerce and where the sanctioning authority is the

Government, the application shall be forwarded to the Government through the Regional Joint Director of Industries and Commerce and the Director.

(2) If the extent of the State aid applied for exceeds fifty thousand rupees and in any other case in which he so considers the Director shall publish a notice in the prescribed manner, calling upon any person who objects to the grant of the State aid applied for to state his objections at a time and place to be specified by the Director and shall hear such objections and make such enquiry as may be necessary.

(3) Every application for State aid exceeding Rs.15,000 shall be placed before the Board and shall be granted only with its concurrence.

(4) Subject to the provisions of sub-section (3) the following authorities shall be competent to grant as State aid the amount or value specified against each:-

District Industries Officer	Not exceeding five thousand rupees,
-----------------------------	-------------------------------------

Regional Joint Director of Industries and Commerce	Exceeding five thousand, but not exceeding ten thousand rupees
--	--

Director	Exceeding ten thousand, but not exceeding twenty-five thousand rupees.
----------	--

Government	Exceeding twenty-five thousand rupees.
------------	--

(5) Nothing in sub-section (4) shall be deemed to empower the District Industries Officer or Regional Joint Director of Industries and Commerce or the Director to grant State aid on different occasions in respect of the same industry, if the aggregate amount or value of such aid exceeds five thousand rupees or ten thousand rupees or twenty-five thousand rupees, as the case may be.

*16. Supervision of assisted industry.*—During the continuance of State aid to any industry which has received aid under the Act, the Government may, by appointing directors or Inspectors, or otherwise take such steps as they deem advisable so to supervise the conduct of the industry as to safeguard the interests of the Government therein.

*17. Inspection and returns.*—In any case in which State aid has been applied for under this Act, the applicant and at any time during the currency of State aid that has been granted under it, the grantee, shall be bound-

(a) to comply with any general or special order of the Government relating to the inspection of the premises, building, or plant or stock in hand of the industrial business or enterprise;

- (b)to permit the inspection of all accounts relating to the industrial business or enterprises;
- (c)to furnish full returns of all products manufactured or sold both as regards description and quantity;
- (d)to maintain such special accounts or to furnish such statements as the Government may from time to time require;
- (e)to submit the accounts of the industrial business or enterprise to such audit as the Government may prescribe.

*18.Disposal of profits when condition of State aid is not fulfilled.*-(1) During the continuance of State aid to any industry the profits of such industry shall, if distributed, be distributed only after interest due on debentures and loans has been paid and a reasonable amount has been set aside for depreciation or obsolescence of machinery and buildings and a further reasonable amount has been carried to reserve fund to be utilized in the prescribed manner.

(2)No dividend shall be paid to share holders and no profit shall be taken by the owner in excess of such percentage rate upon the amount of the capital of the industry as the Government may fix from time to time during the continuance of State aid to any industry.

*19.Power of Government to adjust security during currency of loans.*—If at any time the amount of any loan outstanding together with such interest as may be due thereon on account of any State aid given is found to exceed the percentage fixed under sub-section (1) of section 13, the Government may either recover so much of such balance as is in excess of such percentage or take such additional or collateral security as they may deem sufficient.

*20.Power of authority sanctioning the loan to terminate aid.*-(1) If the authority sanctioning the loan is satisfied-

- (i)that the whole or any portion of the State aid given has been misapplied, or
- (ii) that there has been a breach by the grantee of the aid of the provisions of this Act, or of any rule made thereunder or of any conditions of the grant, or
- (iii) that the application on which the State aid has been granted contained or was accompanied by, any material statement by the grantee of the aid which he knew to be false or did not believe to be true or any intentional concealment by him of any material fact, which in the opinion of the authority sanctioning the loan it was his duty to disclose, or that any such false statement or concealment was intentionally made in any inquiry made under this Act by or with the connivance of the owner or in any return under this Act or in reply to any requisition for information under this Act, or

(iv)that the industry is being managed in such manner as to endanger the repayment of the value of State aid granted thereto repayable under this Act,

the authority may by order in writing terminate the State aid specifying the reason or reasons therefore.

(2)No such order as mentioned in sub-section (1) shall be passed without giving the grantee an opportunity to show cause within a specified time why action should not be taken under this section.

(3)Where an order terminating the aid is made under sub-section (1), then, notwithstanding anything contained in this Act or in any other law, the authority sanctioning the aid may proceed to recover from the grantee of the aid, as arrears of land revenue,-

(a)the entire amount of any loan outstanding together with interest as may be due thereon, or

(b)in cases where the aid is given otherwise than by loan, the money value of the aid as fixed at the time when it was made, together with interest due thereon, and

(c)in the case mentioned in clause (a) or clause (b), the cost of recovery, and, if the Government so direct the cost of any inquiry made in connection therewith.

(4)An order made under this section shall be final and shall not be called in question in any court of law.

*21. Protection of action taken under the Act.*-No prosecution, suit or other proceeding shall lie against the Government or any officer of the Government or other authority vested with powers under this Act for anything in good faith done or intended to be done thereunder.

*22. Persons acting under this Act to be deemed public servants.*-The Chairman and the members of the Board and every person who acts on behalf of the Government under this Act, including every person who conducts an inquiry under this Act, shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

*23. Penalty.*-Whoever willfully acts in contravention of the provisions of sub-section (6) of section 3 or section 17 shall, without prejudice to any other penalty or liability he may incur, be liable on conviction before a Magistrate of the first class to a fine not exceeding two hundred and fifty rupees.

## CHAPTER IV

### **Special Provisions Relating to the Giving of State Aid by the Supply of Machinery on Hire Purchase System.**

*24. Percentage of value to be deposited by hirer.*-No machinery shall be supplied on hire purchase system unless the applicant therefor deposits with the authority competent to sanction State aid under this Act (hereinafter in this Chapter referred to, as the “sanctioning authority”), such percentage of the value thereof as may be prescribed.

*25. Particulars to be specified in the order when application is allowed.*-When an application for the supply of machinery on hire purchase system is allowed, the sanctioning authority shall, subject to and in accordance with any rules that may be made under this Act, make an order specifying the following particulars, namely:-

(a)the amount of each instalment of rent to be paid for the hire of the machinery and the number of such instalments to be paid before the machinery shall become the property of the hirer;

(b)an amount of interest, if any, to be paid with each instalment of rent on the remaining unpaid instalments;

(c)the dates on which and the manner in which the aforesaid payments shall be made; and

(d)such other particulars as may be prescribed.

*26. Conditions of supply of machinery on hire purchase system.*-Until the hiring is terminated in the manner hereinafter provided, the following provisions shall apply, namely:-

(a)The hirer shall pay punctually without demand the instalments of rent and amount of interest specified in the order referred to in section 25.

(b)The hirer shall retain the machinery in his own possession in good and serviceable order and condition and shall not, without the previous written consent of the sanctioning authority either make any addition thereto or alteration therein, or remove the machinery from the premises specified in the application for the supply thereof.

(c)The machinery shall remain the sole and absolute property of the Government and any transfer thereof or assignment of any right, title or interest therein or the creation of any mortgage, encumbrance or any charge thereon by the hirer shall be void unless it has been made with the previous written consent of the Government.

(d)The machinery shall not be liable to distraint, attachment or sale by any process under any law for the time being in force without the written sanction of the Government

(e)The machinery shall bear a metal plate in the prescribed form and any person who willfully removes or defaces such plate shall on conviction be punishable with fine not exceeding five hundred rupees.

(f)The hirer shall permit the sanctioning authority or any person authorized by the sanctioning authority in this behalf to inspect the machinery at all reasonable times, and the sanctioning authority or such other person shall have all such powers of entry as may be necessary for the purpose of making an inspection.

(g)The hirer shall insure the machinery against any loss or damage for such amount and in such manner as may be prescribed and shall assign in favour of the Government the policy of such insurance.

(h)In addition to the foregoing conditions, the hirer shall be bound by such other conditions not inconsistent therewith as may be prescribed by the Government or may in any particular case be imposed by the sanctioning authority.

*27.Consequences of default by hirer.*-If the hirer makes default in paying the rent of the machinery or any sum payable as interest or any other charges due from him under this Act, or fails to comply with any of the conditions contained in or that may be prescribed or imposed under section 26, the sanctioning authority may immediately terminate the hiring and he or any other officer authorized by him in this behalf may thereupon enter the premises in which the machinery is for the time being kept, whether such premises belong to the hirer or not, and seize and remove the same.

*28.Option of hirer to purchase machinery seized for default.*-If the machinery is seized and removed under section 27, the hirer shall have the option, to be exercised within one month after such seizure, or such longer period as may be allowed by the sanctioning authority in this behalf, of purchasing the same by payment to the sanctioning authority of the unpaid balance of the value thereof, such proportion of interest on such value as may be prescribed and the cost of and the expenses incidental to such seizure and removal.

*29.Termination of hiring by hirer.*\_The hirer may at any time terminate the hiring by returning the machinery to the Government in the prescribed manner.

*30.Liability of hirer on termination of hiring under section 27 and 29.*-If the sanctioning authority terminates the hiring under section 27, and the hirer does not exercise the option of purchasing the machinery under section 28, or if the hirer returns the machinery to the Government under section 29, the hirer shall not be entitled to the refund of the sum deposited by him under section 24 or to the refund or remission of any payment made by or due from him during the period of hiring and shall be liable to pay such amount, if any, as the sanctioning authority may determine in respect of any loss or damage, other than by reasonable wear and tear that may have been caused to the machinery during the hiring.

*31.Termination of hiring on payment of cost of machinery.*-When after credit has been given for the amount deposited under section 24, the hirer has paid in full all the instalments of rent mentioned in clause (a) of section 25 and the amount of interest, costs

and other charges payable by him, he shall become the owner of the machinery and shall thereupon remove the metal plate mentioned in clause (e) of section 26:

Provided that if at any time during the hiring the hirer pays in advance the remaining instalments of rent the interest payable in respect thereof shall be remitted.

*32.Revision.*-The Government may on application made within three months from the date of the order of the sanctioning authority other than the Government or *suo motu* at any time, revise any order passed by such sanctioning authority under this chapter:

Provided that no order in revision shall be passed without giving an opportunity to show cause to be party who may be affected by the order.

Subject to such revision, the order of the sanctioning authority shall be final.

*33.Review of orders by Government.*-The Government may, *suo motu* or on the application of any party interested, review their own order, in any case and pass in reference thereto such fresh orders as they may think fit:

Provided that no such order shall be passed unless the Government are satisfied that there has been a discovery of new and important matter or evidence which after the exercise of due diligence was not within the knowledge of the applicant or could not be produced by him at the time when the order of the Government was made or that there has been some mistake or error apparent on the face of the record or for any other sufficient reason:

Provided further that no such order shall be passed unless notice has been given to all interested parties and they have been given a reasonable opportunity of being heard.

## CHAPTER V

### Miscellaneous

*34.Fees.*—The Government may charge in respect of applications, inquiries, inspections, and audit by whomsoever made under this Act, such fees, as may be prescribed.

*35.Mode of recovery of money due.*-(1) All loans and other sums payable or recoverable under this Act, including any interest chargeable thereon, costs, if any incurred, and fees charged under this Act if not paid when due may be recovered as if they were arrears of land revenue under the provisions of the Revenue Recovery Act for the time being in force from the person aided and his surety, if any, and the assets of the industry aided.

(2)When any sum due as aforesaid is paid by the surety or is recovered from him or out of his property, the Collector shall, on the application of the surety, so far as possible, recover the same from the person aided as if it were an arrear of land revenue and pay the same to the surety.

*36.Power to make rules.*-(1) The Government may, by notification in the Gazette, make rules for the purpose of carrying into effect the provisions of this Act.

(2)In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

- (a)the conditions and privileges of membership of the Board;
- (b)the time and place of meetings of the Board, the manner in which notice of meetings shall be given, the conduct of proceedings at meetings, the division of duties among the members, the appointment, duties and procedure of special committees, the appointment, punishment and dismissal of officers and servants under the Board and the preparation and submission to the Government of the minutes of the Board;
- (c)the manner of taking security for the State aid referred to in section 11 and the conditions under which and the manner in which the money due from any industry by reason of such State aid should be repaid;
- (d)the circumstances in which the value of the grant made under clause (f) and of the subsidy paid under clause (g) of section 11 shall be paid and the manner in which and the authority by whom the value of such grant or subsidy shall be determined;
- (e)the proportion of members referred to in the first proviso to sub-section (1) of section 10;
- (f)the provisions for training referred to in the second proviso to sub section (1) of section 10;
- (g)the manner of application for State aid and the particulars that they should contain, the inquiries which the Director or the District Industries Officer shall make on applications and the form in which the Director shall make his remarks and place them before the Board and submit the papers to the Government under section 15;
- (h)the audit referred to in clause (e) of section 17; the person to whom and the manner in which the returns referred to in clause (c) of section 17 shall be furnished; and the accounts referred to in clause (d) of section 17;
- (i)the manner of utilizing the amount carried to reserve fund under sub-section (1) of section 18;
- (j)the fees referred to in section 34;

(k)the conditions of the supply of machinery on hire purchase system under clause (h) of section 26;

(l)the form of metal plates referred to in sub-clause (e) of section 26 and their seizure and removal;

(m)the proportion of the interest on the value of the machinery payable under section 28; and

(n)any other matter which is expressly required or allowed by this Act to be prescribed.

(3)Every rule made under this Act shall be laid, as soon as may be after it is made, before the Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid, or the session immediately following, the Legislative Assembly makes any modification in the rule or decides that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

*37.Repeal.*-The Madras State Aid to Industries Act, 1922 (Madras Act V of 1923), as in force in the Malabar District referred to in sub-section (2) of section 5 of the States Reorganisation Act, 1956, and the Travancore-Cochin State Aid to Industries Act, 1952 (Act XIX of 1952), are hereby repealed.

---